

January 30, 2006

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602

RECEIVED

JAN 30 2006

PUBLIC SERVICE
COMMISSION

**RE: Columbia Gas of Kentucky, Inc.
Case No. 2002-00145**

Dear Ms. O'Donnell:

Pursuant to the Commission's Order of December 13, 2002 enclosed are an original and three copies of Columbia's revised tariff sheets to become effective March 1, 2006. The annual revisions ordered by the Commission to Tariff Sheets 51b – Energy Assistance Program Rider, 51c – Rider for Natural Gas Research and Development are attached along with supporting documentation.

The annual revision to Tariff Sheet 62a – Extensions of Service Lines has not be included. The information required to compute the average cost of service lines installed in 2005 is being reviewed. The raw data produced a higher than expected increased average cost. Columbia asks that it be allowed continued time to review the data. Columbia had hoped to complete its review, however, additional time is needed.

Columbia respectfully requests that the Commission accept the attached revisions to be effective March 1, 2006.

Please give me a call at 859-288-0242 if you have questions regarding this material.

Sincerely,



Judy M. Cooper
Director, Regulatory Policy

COLUMBIA GAS OF KENTUCKY, INC.

**ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO GSR RATE SCHEDULE**

Energy Assistance Program

The Energy Assistance Program ("EAP") provides a bill credit to enrolled customers during the five heating season months of November through March. It is available to eligible residential customers in Company's service territory subject to enrollment by the Program Administrator. The surcharge is applicable to all residential customers under the General Service and Small Volume Gas Transportation Service Rate Schedules. The EAP surcharge will be a separate line item on customers' bills.

Rate:

The surcharge shall be \$0.0579 per Mcf.

DATE OF ISSUE: January 30, 2006

DATE EFFECTIVE: March 1, 2006

Issued by: J. W. Kelly

President

Issued by authority of an Order of the Public Service Commission in Case No. 2002-00145 dated December 13, 2002

COLUMBIA GAS OF KENTUCKY, INC.

Rider for Natural Gas Research & Development

Applicable

Applicable to Rate Schedules GS, IS, SS, IUS, SVGTS, MLDS, and DS except customers served under the Flex Provision.

Purpose

The purpose of this rider is to replace funding of natural gas research and development that previously was included in purchased gas cost pursuant to the authority of the Federal Energy Regulatory Commission. The rider will be calculated annually to produce \$300,000 annually to fund natural gas research and development.

Unit Charge

The Unit Charge shall be \$0.0105 per Mcf. This amount will be recalculated annually and will include a true-up for the prior year .

Remittance of Funds

Funds collected up to the amount of \$300,000 per annum under this rider will be remitted to the Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission along with a statement setting forth the manner in which the remitted funds have been invested in research and development.

Termination of Rider

Participation in the Natural Gas Research and Development funding program is voluntary on the part of the Company. This rider may be terminated at any time by the Company on filing a notice of rescission with the Commission.

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Rate:

The surcharge shall be \$0.0413-0579 per Mcf.

DATE OF ISSUE: ~~February 9, 2005~~ January 30, 2006

DATE EFFECTIVE: March 1, 2006~~5~~

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**CALCULATION OF EAP SURCHARGE
FOR TWELVE MONTHS BEGINNING MARCH 1, 2006**

EAP Customer Amount		\$500,000
CAP/EAP under-recovery 2003-2004		\$82,649
True-Up for Prior Year		
Previous Amount for surcharge	\$428,496	
Less estimated recoveries (3/05 - 2/06)	<u>\$434,284</u>	
		(\$5,788)
Total Amount for surcharge		\$576,861
Expected residential MCF volume (Mar. 06 - Feb. 07)		9,966,199
Surcharge per MCF		\$0.0579

CALCULATION OF R&D UNIT CHARGE
FOR TWELVE MONTHS BEGINNING MARCH 1, 2006

R&D Annual Customer Amount		\$300,000
True-Up for Prior Year		
Previous Amount for unit charge	\$339,821	
Less estimated recoveries (3/05 - 2/06)	<u>\$335,971</u>	
		\$3,850
Total Amount for unit charge		\$303,850
Expected MCF volume (Mar. 06 - Feb. 07)		29,002,065
Surcharge per MCF		\$0.0105